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New Discounts at Pocket Books And Berkley Group

Pocket Books and the Berkley Publishing Group have announced new discount policies that both simplify their schedules and make them more competitive with Ingram, which offers a 46% discount on volume orders of mass market titles.

Beginning January 1, all Berkley mass market titles will have a 44% discount with the opportunity to earn up to two additional points if net dollar sales are at least the same as the previous year: with returns of 20% or less, one point; returns of 15% or less, two points).

Under the Pocket Books plan, as of January 1, all Pocket and Washington Square Press mass market titles and Archway YA and Minstrel YA titles will be sold at a 44% discount. All Pocket hardcover and trade paperback titles will sell at a 46% discount. Minimum orders are 25. Orders may be combined across all imprints and formats. There will no longer be any incentives, no qualifiers, and no returns penalties.

AAP Sales Report for September

Category	% change, September*	% change, YTD
Adult hardcover	27.0	11.1
Adult paperback	16.5	13.9
Juvenile hardcover	30.1	18.1
Juvenile paperback	14.2	36.5
Univ. pr. hardcover	20.3	15.1
Univ. pr. paperback	28.2	10.2
Bibles, etc.	17.6	12.6
Mass market paperback	2.3	4.5
Book club	11.2	3.6
Mail order	33.6	18.9
Sci-tech	44.7	3.6
College texts	-5.6	11.4
School texts	-2.0	11.0

**Percent changes measured against same time periods, 1988.*

Pratt Leaves Random House After 20 Years

Michael Pratt, senior vice-president for Random House trade marketing and sales, is leaving the company after 20 years.

Retiring Random House chairman Robert Bernstein said, "I know Michael will be missed by all those who have had the good fortune to work with him."

Pratt told *PW* that after such a long association he decided "it was the right time to move on. It was always a priority of mine to develop key people who could take my place, I've always worked hard at developing top managers. If I hadn't succeeded on that point I wouldn't leave." Pratt said he was undecided on the next step in his career and wanted "a clean break" in order to "allow the proper time to decide what I want to do next."

Pratt joined Random House as a sales rep in 1969 and by 1973 was promoted to assistant sales manager. He has held numerous executive positions in marketing and sales and oversaw the reorganization of the Random House sales department into the trade and merchandise divisions.

CROSS CURRENTS

The Museum of Modern Art joins the ranks of the censors (again). Alice Marquis's *Alfred H. Barr Jr., Missionary for the Modern* (Contemporary Books, 1989), a critically acclaimed biography of the MOMA founder, has been banned from the museum's bookstore and Christmas catalogue because it apparently tells the bad, as well as the good, about Barr. MOMA planned to order 100 copies and then canceled. *PW's* review called the book "a superb, vivid, dynamic biography . . ." It's not the first time MOMA's trustees have limited access at the bookstore. Russell Lynes's *Good Old Modern* (Atheneum, 1973)), an authorized but candid examination of the museum, has also never been made available from the MOMA bookstore.

The November issue of *Barry R. Levin's Science Fiction & Fantasy Literature*, a rare book newsletter, has a listing for what is unquestionably the rarest edition of *The Satanic Verses*. It's part of an English first edition, a numbered set of 12 copies of the Salman Rushdie novel; bound in full Morocco leather with gilt lettering, printed on vellum antique laid paper and signed by the author. And if that's not rare enough, the publisher, in a weirdly prophetic gesture, had the late Ayatollah Khomeini's autograph tipped into one copy before the controversy over the book began. Rare and notorious—an expensive combination—it sells for $6750.

Affronted by all the disaster movies on late-night television (including his own station), Ted Turner is going to sponsor a $1.5 million world-wide writing contest for the book that offers the most positive view of the world's future. Or so he told the National Newspaper Association convention in Atlanta, according to the *Journal-Constitution*. The author of the winning book—which Turner said he would get published—will receive $500,000 and the rest of the money will be used to promote the contest. Details will be forthcoming, Turner said.

In less global news from the South, an organization of book editors and reviewers from Virginia to Texas is in the making. A core group gathered by *Tennessean* book editor Robert Wyatt met during the Southern Festival of Books in Nashville to talk about what might be done: periodic meetings, a newsletter, regional book awards. But before proceeding the group would like to hear from media associates and freelancers interested in joining the cause. To sign up, call book editors Bill Starr of the *State*—(803) 771-8498—or Don O'Briant of the *Atlanta Journal Constitution*—(404) 526-5440.

The Independent Wholesalers Co-operative Information Project announced in our October 6 issue, has generated such interest that its staff is swamped with requests for their free packet. IWCIP provides basic information about distribution to small presses. IWCIP's Patty Walsh asks—pleads—for people to send SASE's with their requests, "Postage is killing us." Please send SASE with 25¢ postage for information on one region, 65¢ postage for all regions to IWCIP, 702 South Michigan, South Bend, Ind. 46618.

Selling Children's Books in the Bookstore

A 'PW' survey looks at how children's books are being promoted and sold, and assesses future prospects

BY DIANE ROBACK

This survey was conducted by the market research department of Cahners Publishing in September 1989. It was sent to a sample of 750 Publishers Weekly *bookseller subscribers and to 250 bookstore members of the Association of Booksellers for Children. In total there were 422 respondents, for a remarkably good response rate of 42%.*

Of the bookstores that responded, 176 are general independent stores (representing 41.7% of responding stores); 77 are children's-only stores (18.2%); 77 are specialty independent stores (18.2%); 30 are college and university stores (7.1%); 13 are national bookstore chains (3.1%); 22 are regional bookstore chains (5.2%); and 22 are classified as "other," including mail-order operations (5.2%).

During the 1980s, children's booksellers became a sizable force within book retailing, reflecting the meteoric growth in children's book publishing overall. The annual output of children's books has increased from 2859 books published in 1980 to 4954 in 1988 (according to R. R. Bowker), a rise of 73.3% in eight years.

The growth in the industry, on both the publishing and the retailing ends, is the result of many factors converging at the same time. According to ABA president and bookseller Ed Morrow, "When you put it all together—the demographics of the population bulge, and the fact that much more than in the past parents are oriented toward education—it's one phenomenon reinforcing the other. Add to that the fact that the independents recognized the need to differentiate themselves from the chains; there has been a trend toward specialization in all areas, but children's books have led

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is 1235 titles for children's stores vs. 259 in all other stores), more board books (174 vs. 71), more beginning readers (417 vs. 165), more novels for older readers (903 vs. 240), more biographies (149 vs. 58), more books on problems (156 vs. 58), more folk and fairy tales (258 vs. 82) and more book-and-cassette sets (105 vs. 55). The national and regional chains tend to stock more in each of these categories than the general/specialty/college stores.

Looking specifically at picture books, it's clear that a much greater number of titles is carried by children's-only stores. For example, only 2.6% of the children's stores carry fewer than 50 picture books, while 30.8% of the other independent stores carry that few. And a whopping 28.6% of children's stores stock 1000–2500 picture books vs. 1.3% of general stores carrying that number.

Responses in this survey reaffirm what publishers and booksellers have always known: that backlist is the staple of the children's book business. On average, backlist encompasses 75.5% of what children's stores stock, and 66.5% in the other independents. With the chains the frontlist/backlist ratio is 39.6% frontlist vs. 60.4% backlist. This difference stands to reason: the chains are much more frontlist-oriented in their marketing strategies, and they apply similar techniques of display and promotion with children's books as with their adult books, which are much more dependent on an influx of new product.

The breakdown of hardcover vs. paperback titles stocked by all three groups, however, is virtually identical: 40.7% hardcover/59.3% paperback in children's stores; 38.4% hardcover/61.6% paperback in other independents; 40.8% hardcover/59.2% paperback in chains.

Categories Most in Demand

Every group of respondents designated picture books as the category currently most in demand from customers, except for regional chains, where the strongest current demand is for beginning readers—by a sizable percentage. National chain stores, on the other hand, report the same level of demand for picture books as for beginning readers. For all other groups, beginning readers was the number two category in demand, followed by books for older readers, board books, nonfiction, folk and fairy tales, books on problems and book-and-cassette sets.

The two categories that booksellers believe most strongly are *not* meeting customer needs are books on problems (cited by 22.6% of overall respondents) and nonfiction (21.5% of overall respondents). Even though children's stores are carrying an average of 156 books on problems, booksellers believe that there are too many on the same subjects. "They may have 150 titles," says ABC's Caron Chapman, "but I'll bet 50 of them are on a new baby in the family, and 35 are on divorce. Unfortunately, there are very few books on parents losing a job, for example, very few extended-family books or foster parent books, and almost nothing on lying and cheating."

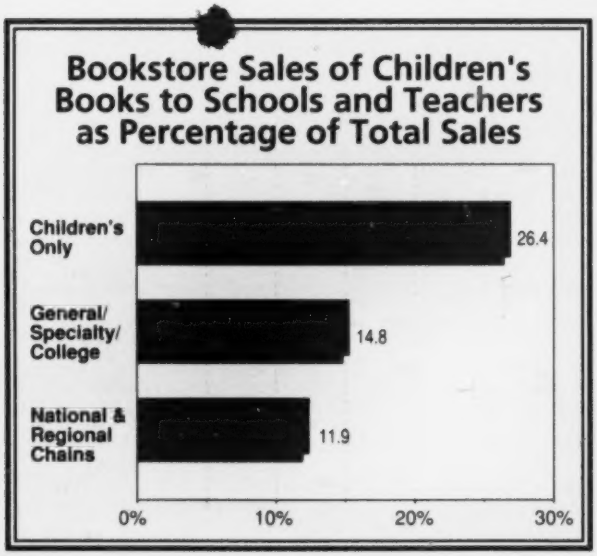
Quantity vs. Quality

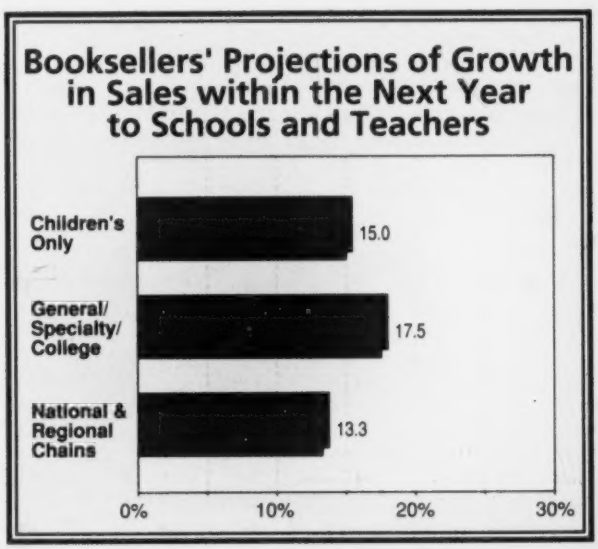
Three-quarters of all respondents say they have noticed an increase in the quantity of children's books currently published: 93.5% of children's stores, 75.4% of other independents and 51.5% of chains. "Increased demand" and "baby boom/yuppie parents" are the most commonly listed reasons for this perception. Very few booksellers, on the other hand, report seeing a *decrease* in quantity: only 2.3% overall, and none of the children's-only booksellers; 20.5% of all respondents see no change in quantity published.

There was a much lower perception of an increase in quality, however: 49.4% of children's bookstores believe that quality is on the rise, along with 49.1% of the other independents and 21.2% of the chains. And 22.1% of children's bookstores, 10% of other independents and 15.2% of chains see a *decrease* in quality, while 35.1% of all respondents see no change in quality.

Of the 45.6% of total respondents who see an increase in quality, the most frequently cited reasons were "demanding/more aware buyers" (cited by 36%), "more competition" (11%) and better illustration (10.1%).

And of the 13.1% of total respondents who report a *decrease* in quality, they cited "publishers more interested in quantity over quality," "poor editing" and "over-commercialization" as the primary reasons.





Children's booksellers express some concerns over the increase in quantity, worrying that there is not enough diversity in *what* is being published. The burden of sorting through all the books and selecting from them, after all, is left to the bookseller, the teacher, the librarian or the parent; according to Chapman, there's a real risk that "booksellers will get sick of it at a certain point and carry fewer books."

Longtime children's bookseller Judy Sarick, whose Children's Book Store in Toronto has been in business 15 years, believes that quality is declining as output increases. "I think the books being published are blander; there are an awful lot of rubber-stamped books done to appeal to parents who don't have a broad base in the field. Publishers *are* much better at packaging than before, but they're publishing more because the market is hot. Most of the boom is in picture books—there's very little good fiction for ages 6–12, for example."

Growth in the Educational Market

Sales to schools and teachers are an important and expanding market, as bookstores run more school book fairs, and as teachers begin to use their local children's booksellers as resources in selecting trade books for classroom use. Respondents report that an average of 18% of their total business is done with the educational market: 26.4% in the children's bookstores, 14.8% in other independents and 11.9% in the chains.

Book fairs are the most common way that bookstores sell into this market: 61% of the children's bookstores hold fairs, as do 28.6% of the other independents, and only 12.1% of the chains. In addition, 34.1% of all respondents special-order books for schools, 21.8% stock books for local reading lists, 9.5% offer workshops and/or presentations, 6.7% hold storytelling sessions and book talks for schools, 5.6% visit classes and 3.6% sponsor local writing contests.

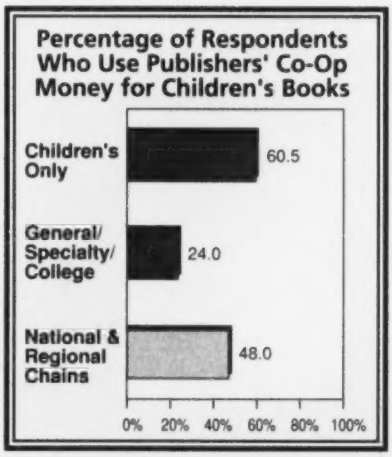
Sixty-six percent of all stores offer an educator's discount (70% of children's stores; 53% of all others); the average discount is 13.4% (this varies very little among all the bookstore groups). And 52% of all respondents predict that the educational market will grow for them within the next year by an average of 15.7%.

In spite of heightened expectations for sales stemming from widely publicized reading initiatives, increases in sales to teachers, says Caron Chapman, "are coming on an individual basis, not from the school systems. If the teacher believes in the books and wants to use them, if there's a good children's bookstore in the area, and if there's money to buy the books, then it can happen.

"It's the bookseller's job to get the word out," she adds. "The public doesn't assume a children's bookseller knows books—it assumes she is running a business. She needs to sell her credibility in literature."

Help from the Sidelines

Sidelines, in all their various forms, can significantly add to a children's bookstore in terms of diversity as well as profits. Every single children's bookstore in our survey carries sidelines of some sort; in contrast, 14.5% of the other independents say they do not carry any children's sidelines, while 6.1% of the national and regional chains don't stock sidelines.

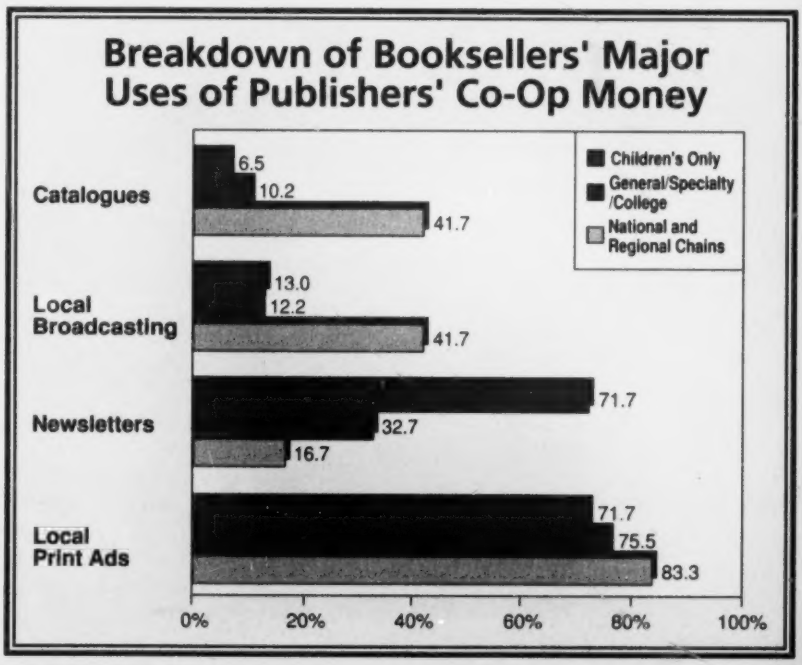


Audio is the most popular sideline in all groups, carried by 93.5% of the children's stores, 81.8% of the chains and 69.1% of the other independent stores. On average, stores carry 76 audio tapes (105 in children's-only stores, 56 in other independents and 78 in chains).

Next comes bookmarks and bookplates (carried by 81.8% of children's stores, 69.7% of chains and 62.3% of others); greeting cards and paper products (77.9% children's, 33.3% chains and 46.8% others); video tapes (57.1% children's, 51.5% chains and 22.3% others); educational games (51.9% children's, 42.4% chains and 27.7% others); and toys (46.8% children's, 30.3% chains and 25.5% others).

Dolls based on book characters are carried much more frequently by children's-only stores than all other stores (81.8% vs. 33.1%), as are rubber stamps—carried in 68.8% of children's stores, in 15.9% of other independent stores and in only 3% of the chains.

Sidelines, which are normally purchased on a non-returnable basis at a higher discount than books, can provide children's booksellers with "a good cash flow situation," accord-

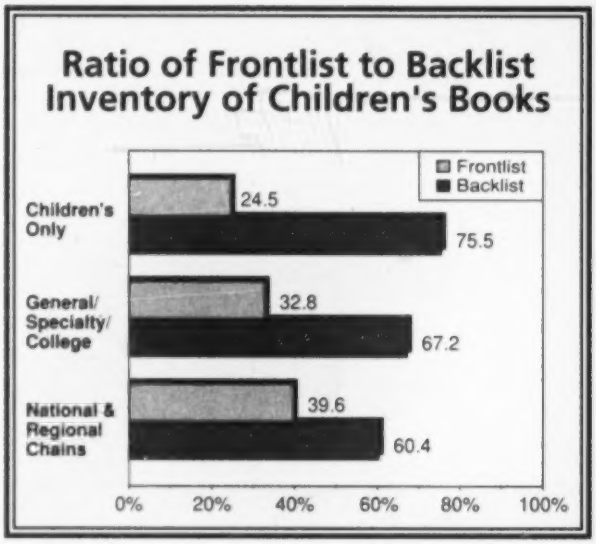


ing to Chapman. Chain bookstores, on the other hand, would be more likely not to want to deal with sidelines: they are often manufactured by small companies, meaning a lot of paperwork for the chains, and the discounts might not be as advantageous as for merchandise bought in greater volume.

It can also be easier to sell sidelines to customers in children's-only stores. "When people go into a children's bookstore," Chapman points out, "they're open to buying toys or other kinds of products. They're thinking store, not books, whereas in general bookstores, people go in to buy *books*."

Selecting the Books

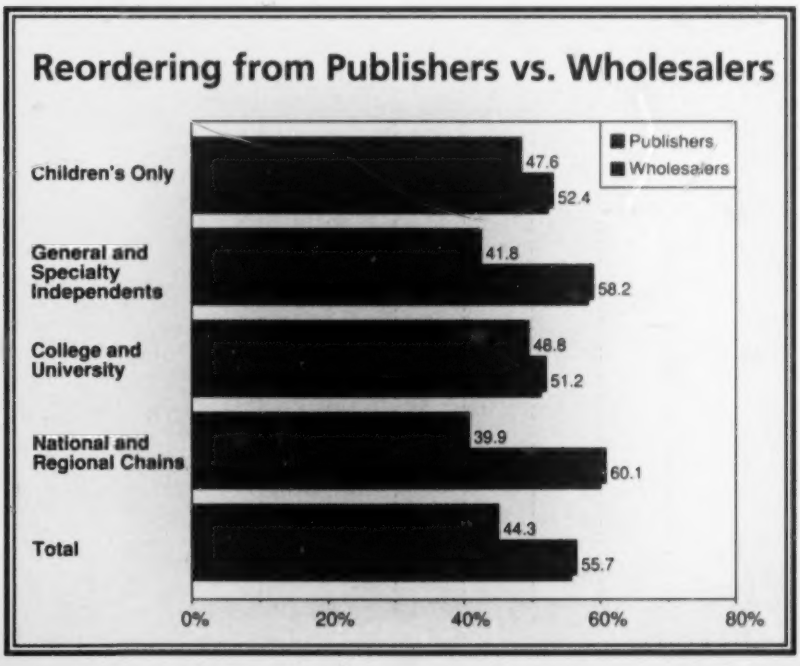
The criteria on which booksellers base their buying decisions for children's books doesn't vary significantly with children's vs. non-children's stores. Criteria cited as having some degree of importance by over 90% of respondents across the board are: content, illustration, author's or artist's reputation, cover design, retail price, word of mouth and reviews. Considered of less importance were publisher or imprint name, cited by 64%, and point-of-purchase displays, cited by 47%. There were noteworthy discrepancies among the respondent groups for a few specific criteria. When asked about the importance of retail price when purchasing books for their stores, non-children's booksellers attach a higher degree of importance than children's booksellers: 22.5% of the former call price "extremely important" vs. only 9.3% of the children's booksellers. Clearly, price is a factor for stores across the board, but children's booksellers exhibit somewhat less price sensitivity on the purchasing level.



Of the various groupings of respondents, chain stores, as might be expected, gave a much higher degree of importance to point-of-purchase displays as a factor in making a purchasing decision; their importance to children's and other independent stores was much lower. And although 59% of respondents say they use point-of-purchase displays, chain stores order them most—for 14% of the books they stock vs. 10.5% for all other booksellers.

When polled about what they consider their most important sources of information, booksellers in all groups gave similar levels of importance to several sources (in descending order): publishers' catalogues, input from sales reps, book reviews, word of mouth, articles and advertisements in trade journals and staff input.

A significant deviation was for the importance of trade shows. Forty-three percent of the children's booksellers call trade shows one of their most useful sources of information, as opposed to only 17.2% of the other independents and 16% of the chain booksellers. Since many children's stores aren't regularly visited by reps, trade shows take on much more importance for children's booksellers, not only in gathering news (both from publishers and from fellow booksellers), but also in being able to see the books.



Reordering Practices

Children's bookstores tend to rely slightly more often on publishers for reordering than do other independent stores and chains. On the average, children's booksellers reorder from publishers 47.6% of the time, and reorder from wholesalers 52.4% of the time. Other independent stores reorder from publishers on the average 41.8% of the time vs. 58.2% from wholesalers; chain stores reorder from publishers even less often—39.9% vs. 60.1% from wholesalers.

Some of this greater reliance on publishers for reordering on the part of children's booksellers can be linked to a common complaint that not enough wholesalers carry children's books in sufficient breadth, thus necessitating reordering from the publisher. Strong-selling frontlist is easy to find at a distributor, but older titles from small- and mid-

sized companies can be more problematic.

Getting the Word Out

Children's booksellers program an amazing array of in-store and out-of-store events, but the most important way they promote themselves to their customers is through newsletters. Seventy-five percent of the children's-only stores polled have newsletters; they consider it their most efficient and cost-effective way of reaching customers. Thirty-three percent of the other independent stores send newsletters, and 21.2% of the chains send them; of both groups, an average of 21% of the space in those newsletters is devoted to children's books (although over 8% devote *no* space in their newsletter to children's books). One of the major chains, Waldenbooks, publishes a bimonthly newsletter, *Chip and Holly's Newsletter*; it is both distributed in stores and mailed to subscribers, and has a print run of 300,000.

More than 60% of children's booksellers use co-operative advertising money provided by publishers—to support their newsletters, local print ads, author appearances and other uses. Just under half of the chains surveyed, but only one-quarter of the independent stores, use co-op money for children's books.

Of the independent stores that use co-op money, a similar percentage use it for local print ads (71.7% of children's vs. 75.5% of the others). Other uses for co-op money include local broadcasting (13% of children's stores vs. 12.2% of other independents) and catalogues (6.5% of children's stores vs. 10.2% of other independents).

Chain bookstores tend to use co-op money for local print ads (83.3%), and catalogues and local broadcasting (both 41.7%), rather than spending a lot of money on newsletters, like the independents do. And chain stores use co-op for children's books much more often than other respondents: on the average, chains use co-op 6.6 times a year vs. 3.5 times a year for the children's stores and 3.9 times a year for other stores.

Just under half (46.6%) of all stores surveyed say they are using co-op money more frequently than in the past; 11.2% say they use co-op less frequently, and 37.9% say their level of use is about the same. This figure does not vary signficantly among the groups of stores. As for perceived ease of use, more general/specialty/college booksellers find co-op policies easier to understand and use these days than children's-only and chain booksellers, who find the policies slightly more difficult than in the past.

Stores that don't take advantage of co-op money cite several reasons. The three major ones are: the store does little advertising (12.6% of respondents); the store and/or its orders are too small and don't qualify for co-op funds (12.6%); and co-op policies are too complicated (10.9%). Other reasons include: store does the bulk of its buying from distributors, not publishers (7.9%); too time-consuming (6.7%); not familiar with how to do it (6.3%); not worth the effort (5.9%); and just recently opened store (4.6%).

> 'The demographics are propitious for children's bookselling into the next century.'
>
> —*Ed Morrow, ABA president*

Outside the Children's-Only Stores

As children's book sales have mushroomed, savvy independents have begun to expand their children's sections; and many general booksellers for whom children's books are a growing success credit the hiring of a children's book specialist on staff to order for and be in charge of the section. For booksellers planning to extend or refurbish their children's department, ABC's Caron Chapman recommends "paying some special attention: maybe using different lighting, different carpeting, different fixtures, or perhaps simply putting a chair in the section. And consider moving it away from the back!"

Chain bookstores, on the other hand, may not find the same degree of success with children's books. A major stumbling block is the difficulty of finding and keeping knowledgeable staff, given the importance of the "hand-sell" in children's book retailing. As Ed Morrow puts it, "Any children's department or children's bookstore is only going to be successful to the degree that it has dedicated people who know the field." Chapman believes that "programming is the key" for chains to sell children's books well. "You have to do local programming geared toward the individual communities. Owners of children's bookstores know programming as well as the books. For the chains to be successful with children's books, it would take a pretty strong commitment on their part in terms of local programming, and for this you need someone at the individual stores."

Waldenbooks, according to spokesperson Tyson, has been addressing these concerns. She comments that the chain has devised a "children's book training tool for all stores, a reference tool for all store staff members. It suggests that there be a children's book expert in the store."

Barnes & Noble/B. Dalton declined to comment.

Projections for the '90s

Expansion in children's bookselling can be predicted in a number of ways: expansion of existing stores, openings of new ones and growth of children's sections in general stores. In addition, another trend will undoubtedly become more prevalent: existing stores opening up second locations, for example in suburban areas, as metropolitan centers begin to extend outward. And as children's bookstores grow in profitability and space needed, many will be relocating to larger spaces.

According to Ed Morrow, "Any growth like this has to level off at some point. But the demographics are propitious for children's bookselling into the next century. We do have to be concerned—15 or 20 years ago schools were closing down all over the country, because the kids weren't there to fill them. If that happened again, there would be a shakeout. But it's not immediate; I don't have to worry about it for the next several years."

The city of Toronto, where Judy Sarick's Children's Book Store is located, has a remarkable 15 children's-only bookstores for its three million residents. "I keep waiting for it to level out," she says. "I keep waiting for my sales to go down from the competition. And they're not.' If Toronto can be seen as an example of the marketplace's ability to accommodate children's bookstores, Sarick states, "There's no end in sight." □